RANGE RESOURCES CORP
Form 424B2
February 24, 2012
Table of Contents

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Registration No. 333-179663

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated February 24, 2012

PROSPECTUS SUPPLEMENT

(To prospectus dated February 24, 2012)

$500,000,000

Range Resources Corporation

% Senior Subordinated Notes due 2022

Interest payable and

We are offering $500,000,000 aggregate principal amount of our % Senior Subordinated Notes due 2022. The notes will mature on . Interest will accrue from , 2012, and the first interest payment date will be , 2012.

We may redeem some or all of the notes at any time on or after , 2017 at the redemption prices specified herein. We may also redeem up to 35% of the notes using all or a portion of the net proceeds of certain public sales of equity interests of our company completed before , 2015. We may also redeem the notes prior to , 2017 upon payment of the make-whole premium specified herein. Upon the occurrence of certain changes in control, we must offer to repurchase the notes.

The notes will be unsecured, and will be subordinated to all our existing and future senior debt, rank equally with all our existing and future senior subordinated debt and rank senior to all our existing and future subordinated debt. The notes will be guaranteed on a senior subordinated basis by certain of our subsidiaries.

Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-9 of this prospectus supplement.

	Per Note	Total
Public offering price (1)	%	$
Underwriting discount	%	$
Proceeds, before expenses, to us (1)	%	$

(1) Plus accrued interest from , 2012, if settlement occurs after that date

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company on , 2012, the tenth trading day after the date of this prospectus supplement.

Joint book-running managers

BofA Merrill Lynch

J.P. Morgan

Wells Fargo Securities

Barclays Capital

Deutsche Bank Securities

Co-managers

RBC Capital Markets	**Credit Agricole CIB**	**BMO Capital Markets**	**BNP PARIBAS**
Citigroup	**Natixis**	**Scotiabank**	**SunTrust Robinson Humphrey**
Mitsubishi UFJ Securities	**Capital One Southcoast**	**Comerica Securities**	**Credit Suisse**
KeyBanc Capital Markets	**SOCIETE GENERALE**	**UBS Investment Bank**	**US Bancorp**
Lloyds Securities			**BOSC, Inc.**

The date of this prospectus supplement is , 2012

Table of Contents

We expect delivery of the notes will be made against payment therefor on or about , 2012, which is the tenth business day following the date of pricing of the notes (such settlement being referred to a T+10). You should note that trading in the notes on the date of pricing and the succeeding seven business days may be affected by the T+10 settlement. See Underwriting beginning on page S-36 of this prospectus supplement.

We have not, and the underwriters have not, authorized any person to provide you with any information other than the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you.

We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the respective dates on the front cover of these documents or earlier dates specified herein or therein and that the information incorporated herein by reference is accurate only as of its date. Our business, financial condition, results of operations and prospects may have changed since those dates. It is important that you read and consider all of the information in this prospectus supplement on the one hand, and the information contained in the accompanying prospectus and any document incorporated by reference, on the other hand, in making your investment decision.

Table of Contents

Prospectus Supplement

Prospectus

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include statements relating to our plans, strategies, objectives, expectations, intentions and adequacy of resources and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In general, all statements other than statements of historical fact are forward-looking statements. These forward-looking statements are based on management s current belief, based on currently available information, as to the outcome and timing of future events. However, management s assumptions and our future performance are subject to a wide range of business risks and uncertainties and we cannot assure you that these goals and projections can or will be met. Any number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to:

- production variance from expectations;
- volatility of natural gas, natural gas liquids and oil prices;
- hedging results;
- the need to develop and replace reserves;
- the substantial capital expenditures required to fund operations;
- exploration risks;
- environmental risks;
- uncertainties about estimates of reserves;
- competition;
- litigation;
- access to capital;
- government regulation;
- political risks;

our ability to implement our business strategy;

costs and results of drilling new projects;

mechanical and other inherent risks associated with natural gas and oil production;

weather;

availability of drilling equipment;

changes of interest rates; and

other risks detailed in our filings with the Securities and Exchange Commission (the SEC).

Table of Contents

Reserve engineering is a process of estimating underground accumulations of natural gas and oil that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by our reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ from the quantities of natural gas, natural gas liquids and oil that are ultimately recovered.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, events, levels of activity, performance or achievements. We do not assume responsibility for the accuracy and completeness of the forward-looking statements.

Should one or more of the risks or uncertainties described in this prospectus supplement, the accompanying prospectus or the documents we incorporate by reference, or should underlying assumptions, prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All forward-looking statements express or implied included in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference and attributable to Range Resources Corporation are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Range or persons acting on its behalf may issue.

INFORMATION WE INCORPORATE BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that we file with the SEC after we file this prospectus will automatically update and may replace information in this prospectus and information previously filed with the SEC. We do not incorporate by reference any information in any future filings deemed furnished and not filed pursuant to applicable rules.

We incorporate by reference in this prospectus the documents listed below, which we previously have filed with the SEC and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding those filings made under Item 2.02 or 7.01 of Form 8-K) after we file this prospectus until the offering of the securities terminates or we have filed with the SEC an amendment to the registration statement relating to this offering that deregisters all securities then remaining unsold:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed with the SEC on February 22, 2012 as amended by the Form 10-K/A filed with the SEC on February 23, 2012; and

- Current Report on Form 8-K filed with the SEC on February 24, 2012.

You may request a copy of any of these filings (other than an exhibit to those filings unless we have specifically incorporated that exhibit by reference into the filing), at no cost, by telephoning us at the following number or writing us at the following address:

Range Resources Corporation

Attention: General Counsel

100 Throckmorton Street

Suite 1200

Fort Worth, Texas 76102

(817) 869-4254

Table of Contents

SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference. It does not contain all of the information that you should consider before making an investment decision. You should read carefully the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. You should read Risk Factors beginning on page S-9 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2011 for more information about important risks that you should consider before buying the notes to be issued in connection with this offering. Unless the context requires otherwise or as otherwise indicated, Range, we, us, our or similar terms in this prospectus supplement refer to Range Resources Corporation and its subsidiarie on a consolidated basis. We include, beginning on page S-41, a glossary of some of the terms used in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference.

Business

We are a Fort Worth, Texas-based independent natural gas, natural gas liquids and oil company, engaged in the exploration, development and acquisition of natural gas and oil properties, mostly in the Appalachian and Southwestern regions of the United States. We were incorporated in 1980 under the name Lomak Petroleum, Inc. In 1998 we changed our name to Range Resources Corporation. During the past five years, we have increased our proved reserves 187% (from 1.8 Tcfe in 2006 to 5.1 Tcfe in 2011), while production has increased 110% (from 89,988 Mmcfe in 2006 to 189,077 Mmcfe in 2011). At year-end 2011, we owned 2,400,000 gross (1,800,000 net) acres of leasehold, including 290,000 acres where we also own a royalty interest. We have built a multi-year drilling inventory we estimate to contain over 8,600 proven and unproven drilling locations.

At year-end 2011, our proved reserves had the following characteristics:

- 5.1 Tcfe of proved reserves;
- 79% natural gas;
- 48% proved developed;
- 87% operated; and
- a reserve life of 22 years (based on fourth quarter 2011 production).

We maintain a significant acreage position in and are allocating the majority of our current capital spending to the promising Marcellus Shale play, located in Pennsylvania and West Virginia, given its lower operating costs. We exited the year producing approximately 410.0 Mmcfe per day in the Marcellus Shale play. We drilled 167 net wells, increasing our Marcellus Shale reserves to over 3.4 Tcfe. We continue to evaluate our Marcellus Shale leases and formulate our development plans for this area.

Our corporate offices are located at 100 Throckmorton Street, Suite 1200, Fort Worth, Texas 76102. Our telephone number is (817) 870-2601.

Business Strategy

Our objective is to build stockholder value through consistent growth in reserves and production on a cost-efficient basis. Our strategy to achieve our objective is to increase reserves and production through

internally generated drilling projects coupled with occasional complementary acquisitions. Our strategy requires us to make significant investments in technical staff, acreage, seismic data and technology to build drilling inventory. Our strategy has the following principal elements:

Concentrate in Core Operating Areas. We currently operate in two regions: the Appalachian (which includes shale, tight gas, coal bed methane and conventional natural gas, natural gas liquids, condensate and oil production in Pennsylvania, Virginia, and West Virginia) and Southwestern (which includes the Permian Basin of West Texas and the Delaware Basin of New Mexico, the Texas Panhandle, the Ardmore Basin in Southern Oklahoma, the Nemaha Uplift in Northern Oklahoma and the Anadarko Basin of Western Oklahoma). Concentrating our drilling and producing activities in these core areas allows us to develop the regional expertise needed to interpret specific geological and operating trends and develop economies of scale. Operating in multiple core areas allows us to blend the production characteristics of each area to balance our portfolio toward our goal of consistent production and reserve growth at attractive returns.

Maintain Multi-Year Drilling Inventory. We focus on areas with multiple prospective, productive horizons and development opportunities. We use our technical expertise to build and maintain a multi-year drilling inventory. A large, multi-year inventory of drilling projects increases our ability to consistently grow production and reserves. Currently, we have over 8,600 proven and unproven drilling locations in inventory.

Focus on Cost Efficiency. We concentrate in core areas which we believe to have sizeable hydrocarbon deposits in place that will allow us to consistently increase production while controlling costs. As there is little long-term competitive sales price advantage available to a commodity producer, the costs to find, develop, and produce a commodity are important to organizational sustainability and long-term shareholder value creation. We endeavor to control costs such that our cost to find, develop and produce natural gas and oil is in the best performing quartile of our peer group.

Commitment to Environmental, Health and Safety. We implement the latest technologies and best practices to minimize potential impacts from the development of our nation s natural resources as it relates to the environment, worker health and safety, and the health and safety of the communities where we operate. Working with peer companies, regulators, nongovernmental organizations, industries not related to the natural gas industry, and other engaged stakeholders, we consistently analyze and review performance while striving for continual improvement. In July 2010, we voluntarily elected to provide, on our website, the hydraulic fracturing components for all wells operated by us and completed in the Marcellus Shale formation.

Maintain Long-Life Reserve Base. Long-life natural gas and oil reserves provide a more stable growth platform than short-life reserves. Long-life reserves reduce reinvestment risk as they lessen the amount of reinvestment capital deployed each year to replace production. Long-life natural gas and oil reserves also assist us in minimizing costs as stable production makes it easier to build and maintain operating economies of scale. We use our acquisition, divestiture, and drilling activities to assist in executing this strategy.

Maintain Flexibility. Because of the risks involved in drilling, coupled with changing commodity prices, we remain flexible and adjust our capital budget throughout the year. If certain areas generate higher than anticipated returns, we may accelerate drilling and acquisitions in those areas and decrease capital expenditures and acquisitions elsewhere. We also believe in maintaining a strong balance sheet and using commodity derivatives, which allows us to be more opportunistic in lower price environments and provides more consistent financial results.

Table of Contents

Equity Ownership and Incentive Compensation. We want our employees to think and act like stockholders. To achieve this, we reward and encourage them through equity ownership in Range. All full-time employees receive equity grants. As of December 31, 2011, our employees owned equity securities in our benefit plans (vested and unvested) that had an aggregate market value of approximately $314.0 million.

Recent Developments

On February 21, 2012, we announced our 2011 financial results. Reported net income for 2011 was $58 million as compared to a net loss of $239 million for 2010. Net cash provided by operating activities totaled $632 million in 2011, a 23% increase over the prior year. Results were driven by a 12% increase in production, which averaged 554 Mmcfe per day including production from discontinued operations for 2011. Previously we announced proved reserves increased 14% year-over-year reaching 5.1 Tcfe.

On February 21, 2012, we announced that our 2012 capital expenditure budget is expected to be $1.6 billion. The budget includes $1.3 billion for drilling and recompletions, with approximately 70% directed toward liquids-rich and oil projects predominantly in the Marcellus Shale and horizontal Mississippian plays.

On February 14, 2012, the state legislature of Pennsylvania passed a new natural gas impact fee in Pennsylvania, where the majority of our acreage in the Marcellus Shale is located. The legislation imposes an annual fee on natural gas and oil operators for each well drilled for a period of fifteen years. The fee is on a sliding scale set by the Public Utility Commission and is based on two factors: changes in the Consumer Price Index and the average New York Mercantile Exchange s natural gas prices from the last day of each month. The estimated total fees per well based on today s current natural gas price is $240,000 over the 15 year period.

On January 26, 2012, we announced that one of our subsidiaries had signed an agreement to ship up to 20,000 barrels of ethane per day on Enterprise Products Partners L.P. s (NYSE: EPD) Appalachia-to-Texas ethane pipeline (ATEX Express). Our 20,000 barrels per day commitment gives us anchor shipper status on ATEX Express with a transportation rate of 14.5 cents per gallon. We will use our transportation arrangements on ATEX Express to deliver ethane to Mont Belvieu customers along the Gulf Coast as well as operational flow between its expected various customers at various delivery points in the future.

The Offering

The following summary contains basic information about the notes and is not complete. For a more complete understanding of the notes, please refer to the section entitled Description of Notes in this prospectus supplement and Description of debt securities in the accompanying prospectus.

Issuer	Range Resources Corporation.
Securities	$500 million aggregate principal amount of our % Senior Subordinated Notes due 2022
Maturity	, 2022.
Interest payment dates	and of each year commencing , 2012. Interest will accrue from , 2012.
Optional redemption	Except as otherwise described below, the notes will not be redeemable prior to , 2017. Thereafter, the notes will be subject to redemption at the option of the Company, in whole or in part, at the redemption prices set forth under the heading Description of Notes Optional Redemption, plus accrued and unpaid interest thereon to the applicable redemption date.
	In addition, prior to , 2015, the Company may, at its option, on any one or more occasions, redeem up to 35% of the aggregate principal amount of the notes at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, with all or a portion of the net proceeds of public sales of certain equity interests of the Company; provided that at least 65% of the original aggregate principal amount of the notes remains outstanding immediately after the occurrence of such redemption. See Description of Notes Optional Redemption.
	We may also redeem the notes prior to , 2017 upon payment of the make-whole premium specified herein. See Description of Notes Optional Redemption.
Change of control	Upon the occurrence of a change of control, the Company will generally be required to offer to repurchase all or a portion of each Holder s notes, at an offer price in cash equal to 101% of the aggregate principal amount of such notes, plus accrued and unpaid interest, if any, to the date of repurchase, and to repurchase all notes tendered pursuant to such offer. Our bank credit facility will prohibit the Company from repurchasing any notes pursuant to a change of control offer prior to the repayment in full of the senior debt under the bank credit facility. Therefore, if a change of control were to occur, there can be no assurance that we or the Subsidiary Guarantors will have the financial resources or be permitted under the terms of their indebtedness to repurchase any of the notes. See Risk Factors We may not be able to repurchase the notes herein and Description of debt securities Subordination, Repurchase at the option of holders Change of control, and Events of default and remedies in the accompanying prospectus.

Ranking	The notes will be general, unsecured obligations of the Company, will be subordinated in right of payment to our senior debt, which includes borrowings under our bank credit facility. As of December 31, 2011, we had $187 million outstanding under our bank credit facility, and we intend to use a portion of the net proceeds of this offering to repay up to $350 million of current borrowings. See Description of debt securities Subordination in the accompanying prospectus and Capitalization and Description of Other Indebtedness Bank Credit Facility herein. The notes will rank equally with our other outstanding senior subordinated notes, which totaled approximately $1.8 billion aggregate principal amount as of December 31, 2011. The notes will be structurally subordinated to any liabilities of subsidiaries that do not guarantee the notes.
Subsidiary guarantees	Our payment obligations under the notes will be jointly, severally and unconditionally guaranteed on a senior subordinated basis (the Guarantees) by our existing material domestic Restricted Subsidiaries and any future material domestic Restricted Subsidiaries. The Guarantees will be subordinated to senior debt of the Subsidiary Guarantors to the same extent and in the same manner as the notes are subordinated to senior debt. See Description of debt securities Guarantees in the accompanying prospectus and Description of Other Indebtedness Bank Credit Facility herein.
Certain covenants	The notes will be issued pursuant to an indenture (the Indenture) which contains certain covenants that, among other things, limit the ability of us and our Restricted Subsidiaries to incur additional indebtedness and issue Disqualified Stock, pay dividends, make distributions, make investments, make certain other Restricted Payments, enter into certain transactions with affiliates, dispose of certain assets, incur liens securing Indebtedness (as defined therein) of any kind (other than Permitted Liens, as defined therein) and engage in mergers and consolidations. See Description of debt securities Certain covenants in the accompanying prospectus.
Use of proceeds	We estimate that the net proceeds of this offering (after deducting the underwriters discounts and estimated expenses of the offering payable by us) will be approximately $490.8 million. We intend to use a portion of the net proceeds to repay up to $350 million of borrowings under our bank credit facility. We intend to use any remaining net proceeds to fund our 2012 capital expenditure budget, and, pending that use, for general corporate purposes. For more information about our use of proceeds from this offering, see Use of Proceeds on page S-25 of this prospectus supplement.
Risk factors	In evaluating an investment in the notes, prospective investors should carefully consider, along with the other information in this prospectus supplement, the specific factors set forth under Risk Factors for risks involved with an investment in the notes.

Table of Contents

Summary Condensed Consolidated Financial Data

The following table shows selected financial information as of and for the periods indicated. We derived the information in the following table from, and that information should be read together with and is qualified in its entirety by reference to our audited consolidated financial statements and the accompanying notes included in our Annual Report on Form 10-K filed with the SEC on February 22, 2012 as amended by the Form 10-K/A filed with the SEC on February 23, 2012, which is incorporated herein by reference. This summary table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K.

In April 2011, we sold our interests in our Barnett Shale properties and the purchaser assumed certain related hedge contracts for gross proceeds of $889.3 million. Accordingly, the financial and statistical data contained in the following discussion reflects our Barnett operations as discontinued operations.

	Year ended December 31,		
	2009	2010	2011
	(dollars in thousands, except per share data)		
Statement of operations data:			
Revenues and other income			
Natural gas, NGLs and oil sales	$ 751,749	$ 823,290	$ 1,173,266
Derivative fair value income	66,446	51,634	40,087
Gain on the sale of assets	10,413	76,642	2,260
Other	(9,442)	70	3,043
Total revenues and other income	819,166	951,636	1,218,656
Costs and expenses			
Direct operating	98,251	96,274	112,972
Transportation, gathering and compression	37,185	62,837	120,755
Production and ad valorem taxes	25,536	26,107	27,666
Exploration	44,276	60,506	81,367
Abandonment and impairment of unproved properties	36,935	49,738	79,703
General and administrative	115,319	140,571	151,191
Termination costs	2,479	8,452	
Deferred compensation plan	31,073	(10,216)	43,209
Interest expense	75,261	90,665	125,052
Loss on early extinguishment of debt		5,351	18,576
Depletion, depreciation and amortization	267,148	275,238	341,221
Impairment of proved properties	930	6,505	38,681
Total costs and expenses	734,393	812,028	1,140,393
Income from continuing operations before income taxes	84,773	139,608	78,263
Income tax provision (benefit)			
Current	(636)	(836)	637
Deferred	46,429	51,746	34,920
	45,793	50,910	35,557
Income from continuing operations	38,980	88,698	42,706
Income (loss) from discontinued operations	(92,850)	(327,954)	15,320
Net income (loss)	$ (53,870)	$ (239,256)	$ 58,026

Cash flow data:

Net cash provided from operating activities	$ 591,675	$ 513,322	$ 631,637
Net cash (used in) provided from investing activities	(473,807)	(798,858)	(547,981)
Net cash (used in) provided from financing activities	(117,854)	287,617	(86,412)

Table of Contents

	Year ended December 31,		
	2009	2010	2011
	(dollars in thousands, except per share data)		
Balance Sheet data:			
Current assets (1)	$ 182,810	$ 1,113,570	$ 315,263
Current liabilities (2)	321,634	443,690	511,932
Natural gas and oil properties, net	3,551,635	4,084,013	5,157,566
Total assets	5,403,411	5,511,714	5,845,470
Bank debt	324,000	274,000	187,000
Subordinated notes	1,383,833	1,686,536	1,787,967
Stockholders equity (3)	2,378,589	2,223,761	2,392,420
Weighted average dilutive shares outstanding	158,778	158,428	159,441
Cash dividends declared per common share	0.16	0.16	0.16

(1) 2011 includes $173.9 million of unrealized derivative assets compared to $123.3 million in 2010 and $21.5 million in 2009. 2010 includes $877.6 million assets of discontinued operations compared to $43.5 million in 2009.

(2) 2011 includes a $56.6 million deferred tax liability compared to $11.8 million in 2010. 2010 includes $352,000 of unrealized derivative liabilities compared to $14.5 million in 2009.

(3) Stockholders equity includes other comprehensive income of $156.6 million in 2011 compared to $67.5 million in 2010 and $6.4 million in 2009.

Table of Contents

Summary Production Data

The following table sets forth summary data with respect to our production and sales of natural gas and oil from continuing operations for the periods indicated. The information set forth in this table reflects the results of operations of our Barnett Shale properties of which substantially all was sold in the second quarter of 2011 as discontinued operations. For additional information on price calculations, see the information set forth in our Annual Report on Form 10-K for the year ended December 31, 2011 incorporated by reference herein.

	Year ended December 31,		
	2009	**2010**	**2011**
Average daily production:			
Natural gas (Mcf)	248,138	290,815	397,825
NGLs (Bbls)	4,343	9,864	14,664
Crude oil (Bbls)	6,912	5,300	5,369
Total (Mcfe) (1)	315,668	381,800	518,019
Average sales prices (wellhead):			
Natural gas (per Mcf)	$ 4.00	$ 4.54	$ 4.21
NGLs (per Bbl)	30.34	39.75	50.23
Crude oil (per Bbl)	54.94	69.18	86.22
Total (per Mcfe) (1)	4.76	5.44	5.55
Average realized price (including derivatives that qualify for hedge accounting):			
Natural gas (per Mcf)	$ 6.10	$ 5.15	$ 5.06
NGLs (per Bbl)	30.34	39.75	50.23
Crude oil (per Bbl)	59.69	69.19	86.22
Total (per Mcfe) (1)	6.52	5.91	6.21
Average realized price (including all derivative settlements and third party transportation costs paid by Range):			
Natural gas (per Mcf)	$ 7.65	$ 4.89	$ 4.43
NGLs (per Bbl)	30.34	39.75	50.82
Crude oil (per Bbl)	62.57	69.19	81.34
Total (per Mcfe) (1)	7.80	5.71	5.68

(1) Oil and NGLs are converted at the rate of one barrel equals six mcf based upon the approximate relative energy content of oil and natural gas, which is not indicative of the relationship of oil and natural gas prices.

Table of Contents

RISK FACTORS

You should carefully consider and evaluate all the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risks described below, before you decide to buy our notes. Our business, financial condition and results of operations could be materially adversely affected by any of these risks. The trading price of the notes could decline, and you may lose all or part of your investment. The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial individually or in the aggregate may also impair our business operations.

This prospectus supplement and documents incorporated by reference also contain forward-looking statements that involve risks and uncertainties, some of which are described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks and uncertainties faced by us described below or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks Related to our Business

Volatility of natural gas and oil prices significantly affects our cash flow and capital resources and could hamper our ability to produce natural gas, NGLs and oil economically

Natural gas, NGLs and oil prices are volatile, and a decline in prices adversely affects our profitability and financial condition. The oil and gas industry is typically cyclical, and prices for natural gas, NGLs and oil have been volatile. Over the past four years, the average NYMEX monthly settlement price of natural gas has been as high as $13.10 per mcf and as low as $2.84 mcf. During that same time frame, the oil settlement price was as high as $134.62 per barrel and as low as $33.87 per barrel. As of the end of January 2012, natural gas was at $2.68 per mcf and oil was at $98.46 per barrel. Natural gas prices are likely to affect us more than oil prices because approximately 79% of our December 31, 2011 proved reserves are natural gas. Natural gas prices are approaching historical lows. Historically, the industry has experienced downturns characterized by oversupply and/or weak demand. Long-term supply and demand for natural gas, NGLs and oil is uncertain and subject to a myriad of factors such as:

- the domestic and foreign supply of natural gas, NGLs and oil;
- the price, availability and demand for alternative fuels and sources of energy;
- weather conditions;
- the level of consumer demand for natural gas, NGLs and oil;
- the price and level of foreign imports;
- U.S. domestic and worldwide economic conditions;
- the availability, proximity and capacity of transportation facilities and processing facilities;
- the effect of worldwide energy conservation efforts;

political conditions in natural gas and oil producing regions; and

domestic (federal, state and local) and foreign governmental regulations and taxes.

Table of Contents

Lower natural gas, NGL and oil prices may not only decrease our revenues on a per unit basis but also may reduce the amount of natural gas, NGL and oil that we can economically produce. A reduction in production could result in a shortfall in expected cash flows and require a reduction in capital spending or require additional borrowing. Without the ability to fund capital expenditures, we would be unable to replace reserves which would negatively affect our future rate of growth.

Producing natural gas, NGLs oil may involve unprofitable efforts. As of December 31, 2011, the relationship between the price of oil and the price of natural gas is at an unprecedented spread. Normally, natural gas liquids production is a by-product of natural gas production. Due to the current differences in prices, we and other producers may choose to sell natural gas at below cost, or otherwise dispose of natural gas to allow for the sale of only natural gas liquids.

Information concerning our reserves and future net cash flow estimates is uncertain

There are numerous uncertainties inherent in estimating quantities of proved natural gas and oil reserves and their values, including many factors beyond our control. Estimates of proved reserves are by their nature uncertain. Although we believe these estimates are reasonable, actual production, revenues and costs to develop will likely vary from estimates and these variances could be material.

Reserve estimation is a subjective process that involves estimating volumes to be recovered from underground accumulations of natural gas and oil that cannot be directly measured. As a result, different petroleum engineers, each using industry-accepted geologic and engineering practices and scientific methods, may calculate different estimates of reserves and future net cash flows based on the same available data. Because of the subjective nature of natural gas, NGLs and oil reserve estimates, each of the following items may differ materially from the amounts or other factors estimated:

- the amount and timing of natural gas, NGL and oil production;
- the revenues and costs associated with that production; and
- the amount and timing of future development expenditures.

The discounted future net cash flows from our proved reserves incorporated by reference in this prospectus supplement should not be considered as the market value of the reserves attributable to our properties. As required by generally accepted accounting principles, the estimated discounted future net revenues from our proved reserves are based on a twelve month average price (first day of the month) while cost estimates are as of the end of the year. Actual future prices and costs may be materially higher or lower. In addition, the 10 percent discount factor that is required to be used to calculate discounted future net revenues for reporting purposes under generally accepted accounting principles is not necessarily the most appropriate discount factor based on the cost of capital in effect from time to time and risks associated with our business and the oil and gas industry in general.

If natural gas, NGL and oil prices decrease or drilling efforts are unsuccessful, we may be required to record writedowns of our natural gas and oil properties

In the past we have been required to write down the carrying value of certain of our natural gas and oil properties, and there is a risk that we will be required to take additional writedowns in the future. Writedowns may occur when natural gas and oil prices are low, or if we have downward adjustments to our estimated proved reserves, increases in our estimates of operating or development costs, deterioration in our drilling results or mechanical problems with wells where the cost to redrill or repair is not supported by the expected economics.

Accounting rules require that the carrying value of natural gas and oil properties be periodically reviewed for possible impairment. Impairment is recognized for the excess of book value over fair value when the book value of a proven property is greater than the expected undiscounted future net cash flows from that property and on acreage when conditions indicate the carrying value is not recoverable. We may be required to write down the carrying value of a property based on natural gas and oil prices at the time of the impairment review, or as a result of continuing evaluation of drilling results, production data, economics, divestiture activity, and other factors. While an impairment charge reflects our long-term ability to recover an investment, it does not impact cash or cash flow from operating activities, but it does reduce our reported earnings and increases our leverage ratios.

Significant capital expenditures are required to replace our reserves

Our exploration, development and acquisition activities require substantial capital expenditures. Historically, we have funded our capital expenditures through a combination of cash flow from operations, our bank credit facility and debt and equity issuances. We have also engaged in asset monetization transactions. Future cash flows are subject to a number of variables, such as the level of production from existing wells, prices of natural gas, NGL and oil and our success in developing and producing new reserves. If our access to capital were limited due to numerous factors, which could include a decrease in revenues due to lower natural gas, NGLs and oil prices or decreased production or deterioration of the credit and capital markets, we would have a reduced ability to replace our reserves. We may not be able to incur additional bank debt, issue debt or equity, engage in asset monetization or access other methods of financing on an economic basis to meet our reserve replacement requirements.

The amount available for borrowing under our bank credit facility is subject to a borrowing base, which is determined by our lenders, at their discretion, taking into account our estimated proved reserves and is subject to periodic redeterminations based on pricing models determined by the lenders at such time. Declines in natural gas, NGL and oil prices adversely impact the value of our estimated proved reserves and, in turn, the market values used by our lenders to determine our borrowing base. If commodity prices (particularly natural gas prices) continue to decline, it will have similar adverse effects on our reserves and borrowing base.

Our future success depends on our ability to replace reserves that we produce

Because the rate of production from natural gas and oil properties generally declines as reserves are depleted, our future success depends upon our ability to economically find or acquire and produce additional natural gas, NGL and oil reserves. Except to the extent that we acquire additional properties containing proved reserves, conduct successful exploration and development activities or, through engineering studies, identify additional behind-pipe zones or secondary recovery reserves, our proved reserves will decline as reserves are produced. Future natural gas, NGL and oil production, therefore, is highly dependent upon our level of success in acquiring or finding additional reserves that are economically recoverable. We cannot assure you that we will be able to find or acquire and develop additional reserves at an acceptable cost.

We acquire significant amounts of unproved property to further our development efforts. Development and exploratory drilling and production activities are subject to many risks, including the risk that no commercially productive reservoirs will be discovered. We acquire both producing and unproved properties as well as lease undeveloped acreage that we believe will enhance growth potential and increase our earnings over time. However, we cannot assure you that all prospects will be economically viable or that we will not abandon our initial investments. Additionally, there can be no assurance that unproved property acquired by us or undeveloped acreage leased by us will be profitably developed, that new wells drilled by us in prospects that we pursue will be productive or that we will recover all or any portion of our investment in such unproved property or wells.

Our indebtedness could limit our ability to successfully operate our business

We are leveraged and our exploration and development program will require substantial capital resources depending on the level of drilling and the expected cost of services. Our existing operations will also

Table of Contents

require ongoing capital expenditures. In addition, if we decide to pursue additional acquisitions, our capital expenditures will increase, both to complete such acquisitions and to explore and develop any newly acquired properties.

The degree to which we are leveraged could have other important consequences, including the following:

- we may be required to dedicate a substantial portion of our cash flows from operations to the payment of our indebtedness, reducing the funds available for our operations;
- a portion of our borrowings are at variable rates of interest, making us vulnerable to increases in interest rates;
- we may be more highly leveraged than some of our competitors, which could place us at a competitive disadvantage;
- our degree of leverage may make us more vulnerable to a downturn in our business or the general economy;
- we are subject to numerous financial and other restrictive covenants contained in our existing credit agreements the breach of which could materially and adversely impact our financial performance;
- our debt level could limit our flexibility to grow the business and in planning for, or reacting to, changes in our business and the industry in which we operate; and
- we may have difficulties borrowing money in the future.

Despite our current levels of indebtedness, we still may be able to incur substantially more debt. This could further increase the risks described above. In addition to those risks above, we may not be able to obtain funding on acceptable terms.

Our business is subject to operating hazards that could result in substantial losses or liabilities that may not be fully covered under our insurance policies

Natural gas, NGL and oil operations are subject to many risks, including well blowouts, craterings, explosions, uncontrollable flows of oil, natural gas or well fluids, fires, formations with abnormal pressures, pipeline ruptures or spills, pollution, releases of toxic gases and other environmental hazards and risks. If any of these hazards occur, we could sustain substantial losses as a result of:

- injury or loss of life;
- severe damage to or destruction of property, natural resources and equipment;
- pollution or other environmental damage;
- clean-up responsibilities;

- regulatory investigations and penalties; or
- suspension of operations.

We maintain insurance against some, but not all, of these potential risks and losses. We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented. We

Table of Contents

have experienced substantial increases in premiums, especially in areas affected by hurricanes and tropical storms. Insurers have imposed revised limits affecting how much the insurers will pay on actual storm claims plus the cost to re-drill wells where substantial damage has been incurred. Insurers are also requiring us to retain larger deductibles and reducing the scope of what insurable losses will include. Even with the increase in future insurance premiums, coverage will be reduced, requiring us to bear a greater potential risk if our natural gas and oil properties are damaged. In addition, pollution and environmental risks generally are not fully insurable. If a significant accident or other event occurs that is not fully covered by insurance, it could have a material adverse affect on our financial condition and results of operations.

Additionally, we rely to a large extent on facilities owned and operated by third parties, and damage to or destruction of those third-party facilities could affect our ability to produce, transport and sell our production. We maintain business interruption insurance related to a third party processing plant in Pennsylvania where we are insured for potential losses from the interruption of production caused by loss of or damage to the processing plant.

We are subject to financing and interest rate exposure risks

Our business and operating results can be harmed by factors such as the availability, terms of and cost of capital, increases in interest rates or a reduction in our credit rating. These changes could cause our cost of doing business to increase, limit our ability to pursue acquisition opportunities, reduce cash flow used for drilling and place us at a competitive disadvantage. For example, at December 31, 2011, approximately 91% of our debt is at fixed interest rates with the remaining 9% subject to variable interest rates.

Continuing disruptions and volatility in the global finance markets may lead to a contraction in credit availability impacting our ability to finance our operations. We require continued access to capital; a significant reduction in cash flows from operations or the availability of credit could materially and adversely affect our ability to achieve our planned growth and operating results. We are exposed to some credit risk related to our bank credit facility to the extent that one or more of our lenders may be unable to provide necessary funding to us under our existing revolving line of credit if it experiences liquidity problems.

Difficult conditions in the global capital markets, the credit markets and the economy in general may materially adversely affect our business and results of operations

Access to capital is essential to our business. Global financial markets have been disrupted while volatile and economic conditions remain weak. As a result of concerns about the stability of financial markets in general and the solvency of counterparties specifically, access to credit markets has become less predictable, as many lenders and institutional investors have increased interest rates, enacted tighter lending standards and limited the amount of funding available to borrowers. As a result, we may be unable to obtain adequate funding under our current bank facility because (i) our lending counterparties may be unwilling or unable to meet their funding obligations or (ii) the amount we may borrow under our current bank facility could be reduced as a result of lower natural gas, NGLs or oil prices, declines in reserves, stricter lending requirements or regulations, or for other reasons.

Due to these factors, we cannot be certain that funding will be available on acceptable terms, or at all. If funding is not available when needed, or is available only on unfavorable terms, we may be unable to implement our business plans take advantage of business opportunities, or respond to competitive pressures, any of which could have a material adverse effect on our production, revenues and results of operations.

Hedging transactions may limit our potential gains and involve other risks

To manage our exposure to price risk, we currently and may in the future enter into derivative arrangements, utilizing commodity derivatives with respect to a portion of our future production. The goal of these hedges is to lock in prices so as to limit volatility and increase the predictability of cash flow. These transactions limit our potential gains if natural gas, NGL and oil prices rise above the price established by the hedge.

In addition, derivative transactions may expose us to the risk of financial loss in certain circumstances, including instances in which:

- our production is less than expected;
- the counterparties to our futures contracts fail to perform on their contract obligations; or
- an event materially impacts natural gas, NGL or oil prices or the relationship between the hedged price index and the natural gas or oil sales price.

We cannot assure you that any derivative transaction we may enter into will adequately protect us from declines in the prices of natural gas, NGLs or oil. On the other hand, where we choose not to engage in derivative transactions in the future, we may be more adversely affected by changes in natural gas, NGL or oil prices than our competitors who engage in derivative transactions.

The recent adoption of derivatives legislation by the United States Congress could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price, interest rate and other risks associated with our business

The United States Congress adopted comprehensive financial reform legislation that establishes federal oversight and regulation of the over-the-counter derivatives market and entities, such as us, that participate in that market. The new legislation, known as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act), was signed into law by the President on July 21, 2010 and requires the Commodities Futures Trading Commission (the CFTC) and the SEC to promulgate rules and regulations implementing the new legislation within 360 days from the date of enactment, though final rules have yet to be issued. In its rulemaking under the Act, the CFTC has proposed regulations to set position limits for certain futures and options contracts in the major energy markets and for swaps that are their economic equivalents. Certain bona fide hedging transactions or positions would be exempt from these position limits. It is not possible at this time to predict when the CFTC will finalize these regulations. The financial reform legislation may also require us to comply with margin requirements and with certain clearing and trade-execution requirements in connection with our derivative activities, although the application of those provisions to us is uncertain at this time. The financial reform legislation may also require the counterparties to our derivative instruments to spin off some of their derivatives activities to a separate entity, which may not be as creditworthy as the current counterparty. The new legislation and any new regulations could significantly increase the cost of derivative contracts (including requirements to post collateral which could adversely affect our available liquidity), materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against risks that we encounter, reduce our ability to monetize or restructure our existing derivative contracts, and increase our exposure to less creditworthy counterparties. If we reduce our use of derivatives as a result of the legislation and regulations, our results of operations may become more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures. Our revenues could therefore be adversely affected if a consequence of the legislation and regulations is to lower commodity prices. Any of these consequences could have a material, adverse effect on us, our financial condition, and our results of operations.

Many of our current and potential competitors have greater resources than we have and we may not be able to successfully compete in acquiring, exploring and developing new properties

We face competition in every aspect of our business, including, but not limited to, acquiring reserves and leases, obtaining goods, services and employees needed to operate and manage our business and marketing natural gas, NGLs or oil. Competitors include multinational oil companies, independent production companies and individual producers and operators. Many of our competitors have greater financial and other resources than we do. As a result, these competitors may be able to address these competitive factors more effectively than we can or weather industry downturns more easily than we can.

The demand for field services and their ability to meet that demand may limit our ability to drill and produce our natural gas and oil properties

In a rising price environment, such as those experienced in 2007 and early 2008, well service providers and related equipment and personnel were in short supply. This caused escalating prices, the possibility of poor services coupled with potential damage to downhole reservoirs and personnel injuries. Such pressures increased the actual cost of services, extended the time to secure such services and added costs for damages due to accidents sustained from the over use of equipment and inexperienced personnel. In some cases, we are operating in areas where services and infrastructure are limited, or do not exist or in urban areas which are more restrictive.

A change in the jurisdictional characterization of some of our assets by federal, state or local regulatory agencies or a change in policy by those agencies may result in increased regulation of our assets, which may cause our revenues to decline and operating expenses to increase

Section 1(b) of the Natural Gas Act of 1938 (NGA) exempts natural gas gathering facilities from regulation by the Federal Energy Regulatory Commission (FERC) as a natural gas company under the NGA. We believe that the natural gas pipelines in our gathering systems meet the traditional tests FERC has used to establish a pipeline s status as a gatherer not subject to regulation as a natural gas company. However, the distinction between FERC-regulated transmission services and federally unregulated gathering services is the subject of ongoing litigation, so the classification and regulation of our gathering facilities are subject to change based on future determinations by FERC, the courts, or Congress.

While our natural gas gathering operations are generally exempt from FERC regulation under the NGA, our gas gathering operations may be subject to certain FERC reporting and posting requirements in a given year. FERC has issued a final rule requiring certain participants in the natural gas market, including certain gathering facilities and natural gas marketers that engage in a minimum level of natural gas sales or purchases, to submit annual reports to FERC on the aggregate volumes of natural gas purchased or sold at wholesale in the prior calendar year to the extent such transactions utilize, contribute to, or may contribute to the formation of price indices. In addition, FERC has issued a final rule requiring major non-interstate pipelines, defined as certain non-interstate pipelines delivering more than an average of 50 million MMBtu of gas over the previous three calendar years, to post daily certain information regarding the pipeline s capacity and scheduled flows for each receipt and delivery point that has design capacity equal to or greater than 15,000 MMBtu per day.

Other FERC regulations may indirectly impact our businesses and the markets for products derived from these businesses. FERC s policies and practices across the range of its natural gas regulatory activities, including, for example, its policies on open access transportation, gas quality, ratemaking, capacity release and market center promotion, may indirectly affect the intrastate natural gas market. In recent years, FERC has pursued pro-competitive policies in its regulation of interstate natural gas pipelines. However, we cannot assure you that FERC will continue this approach as it considers matters such as pipelines rates and rules and policies that may affect rights of access to transportation capacity. For more information regarding the regulation of our operations, please see Government Regulation in Items 1 and 2 of our Annual Report on Form 10-K, incorporated herein by reference.

Should we fail to comply with all applicable FERC administered statutes, rules, regulations and orders, we could be subject to substantial penalties and fines

Under the Energy Policy Act of 2005, FERC has civil penalty authority under the NGA to impose penalties for current violations of up to $1 million per day for each violation and disgorgement of profits

Table of Contents

associated with any violation. While our operations have not been regulated as a natural gas company by FERC under the NGA, FERC has adopted regulations that may subject certain of our otherwise non-FERC jurisdiction facilities to FERC annual reporting and daily scheduled flow and capacity posting requirements. We also must comply with the anti-market manipulation rules enforced by FERC. Additional rules and legislation pertaining to those and other matters may be considered or adopted by FERC from time to time. Failure to comply with those regulations in the future could subject Range to civil penalty liability. For more information regarding regulation of our operations, please see Government Regulation in Items 1 and 2 of our Annual Report on Form 10-K, incorporated herein by reference.

The natural gas and oil industry is subject to extensive regulation

The natural gas and oil industry is subject to various types of regulations in the United States by local, state and federal agencies. Legislation affecting the industry is under constant review for amendment or expansion, frequently increasing our regulatory burden. Numerous departments and agencies, both state and federal, are authorized by statute to issue rules and regulations binding on participants in the natural gas and oil industry. Compliance with such rules and regulations often increases our cost of doing business, delays our operations and, in turn, decreases our profitability.

Our operations are subject to numerous and increasingly strict federal, state and local laws, regulations and enforcement policies relating to the environment. We may incur significant costs and liabilities in complying with existing or future environmental laws, regulations and enforcement policies and may incur costs arising out of property or natural resource damage or injuries to employees and other persons. These costs may result from our current and former operations and even may be caused by previous owners of property we own or lease or relate to third party sites where we have taken materials for recycling or disposal. Any past, present or future failure by us to completely comply with environmental laws, regulations and enforcement policies could cause us to incur substantial fines, sanctions or liabilities from cleanup costs or other damages. Incurrence of those costs or damages could reduce or eliminate funds available for exploration, development or acquisitions or cause us to incur losses. Matters subject to regulation include:

- the amounts and types of substances and materials that may be released into the environment;
- response to unexpected releases to the environment;
- reports and permits concerning exploration, drilling, production and other operations;
- the spacing of wells;
- unitization and pooling of properties;
- calculating royalties on oil and gas produced under federal and state leases; and
- taxation.

Under these laws, we could be liable for personal injuries, property damage, oil spills, discharge of hazardous materials, remediation and clean-up costs, natural resource damages and other environmental damages. We also could be required to install expensive pollution control measures or limit or cease activities on lands located within wilderness, wetlands or other environmentally or politically sensitive areas. Failure to comply with these laws also may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties as well as the imposition of corrective action orders.

Climate change is receiving increasing attention from scientists, legislators and governmental agencies. There is an ongoing debate as to the extent to which our climate is changing, the potential causes of this change

Table of Contents

and its potential impacts. Some attribute global warming to increased levels of greenhouse gases, including carbon dioxide and methane, which has led to significant legislative and regulatory efforts to limit greenhouse gas emissions.

There are a number of legislative and regulatory proposals to address greenhouse gas emissions, which are in various phases of discussion or implementation. The outcome of federal and state actions to address global climate change could result in a variety of regulatory programs including potential new regulations to control or restrict emissions, taxes or other charges to deter emissions of greenhouse gases, energy efficiency requirements to reduce demand or other regulatory actions. These actions could:

- result in increased costs associated with our operations;
- increase other costs to our business;
- affect the demand for natural gas; and
- impact the prices we charge our customers.

Adoption of federal or state requirements mandating a reduction in greenhouse gas emissions could have far-reaching and significant impacts on the energy industry and the U.S. economy. We cannot predict the potential impact of such laws or regulations on our future consolidated financial condition, results of operations or cash flows.

For more information regarding the environmental regulation of our business, please see Environmental and Occupational Health and Safety Matters in Items 1 and 2 of our Annual Report on Form 10-K, incorporated herein by reference.

Certain federal income tax deductions currently available with respect to natural gas and oil exploration and development may be eliminated, and additional state taxes on natural gas extraction may be imposed, as a result of future legislation

Legislation has been proposed that would, if enacted into law, make significant changes to U.S. federal income tax laws, including the elimination of certain U.S. federal income tax benefits currently available to oil and gas exploration and production companies. Such changes include, but are not limited to, (i) the repeal of the percentage depletion allowance for oil and gas properties; (ii) the elimination of current deductions for intangible drilling and development costs; (iii) the elimination of the deduction for certain U.S. production activities; and (iv) an extension of the amortization period for certain geological and geophysical expenditures. It is unclear, however, whether any such changes will be enacted or how soon such changes could be effective. As of December 31, 2011, we had a tax basis of $1.4 billion related to prior year capitalized intangible drilling costs, which will be amortized over the next five years.

The passage of this legislation or any other similar change in U.S. federal income tax law could eliminate or postpone certain tax deductions that are currently available with respect to natural gas and oil exploration and development, and any such change could negatively affect our financial condition and results of operations.

In February 2012, the state legislature of Pennsylvania passed a new natural gas impact fee in Pennsylvania, where the majority of our acreage in the Marcellus Shale is located. The legislation imposes an annual fee on natural gas and oil operators for each well drilled for a period of fifteen years. The fee is on a sliding scale set by the Public Utility Commission and is based on two factors: changes in the Consumer Price Index and the average New York Mercantile Exchange s natural gas prices from the last day of each month. The estimated total fees per well based on today s current natural gas price is $240,000 over the 15 year period. The passage of this legislation increases the financial burden on our operations in the Marcellus Shale.

Table of Contents

Acquisitions are subject to the risks and uncertainties of evaluating reserves and potential liabilities and may be disruptive and difficult to integrate into our business

We could be subject to significant liabilities related to our acquisitions. It generally is not feasible to review in detail every individual property included in an acquisition. Ordinarily, a review is focused on higher valued properties. However, even a detailed review of all properties and records may not reveal existing or potential problems in all of the properties, nor will it permit us to become sufficiently familiar with the properties to assess fully their deficiencies and capabilities. We do not always inspect every well we acquire, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is performed.

In addition, there is intense competition for acquisition opportunities in our industry. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions. Our acquisition strategy is dependent upon, among other things, our ability to obtain debt and equity financing and, in some cases, regulatory approvals. Our ability to pursue our acquisition strategy may be hindered if we are unable to obtain financing on terms acceptable to us or regulatory approvals.

Acquisitions often pose integration risks and difficulties. In connection with recent and future acquisitions, the process of integrating acquired operations into our existing operations may result in unforeseen operating difficulties and may require significant management attention and financial resources that would otherwise be available for the ongoing development or expansion of existing operations. Future acquisitions could result in our incurring additional debt, contingent liabilities, expenses and diversion of resources, all of which could have a material adverse effect on our financial condition and operating results.

Our success depends on key members of our management and our ability to attract and retain experienced technical and other professional personnel

Our success is highly dependent on our management personnel and none of them is currently subject to an employment contract. The loss of one or more of these individuals could have a material adverse effect on our business. Furthermore, competition for experienced technical and other professional personnel remains strong. If we cannot retain our current personnel or attract additional experienced personnel, our ability to compete could be adversely affected. Also, the loss of experienced personnel could lead to a loss of technical expertise.

Drilling is an uncertain and costly activity

The cost of drilling, completing, and operating a well is often uncertain, and many factors can adversely affect the economics of a well. Our efforts will be uneconomical if we drill dry holes or wells that are productive but do not produce enough natural gas, NGLs and oil to be commercially viable after drilling, operating and other costs. Furthermore, our drilling and producing operations may be curtailed, delayed, or canceled as a result of other factors, including:

- high costs, shortages or delivery delays of drilling rigs, equipment, water for hydraulic fracturing services, labor, or other services;
- unexpected operational events and drilling conditions;
- reductions in natural gas, NGL and oil prices;
- limitations in the market for natural gas, NGLs and oil;
- adverse weather conditions;
- facility or equipment malfunctions;

Table of Contents

- equipment failures or accidents;
- title problems;
- pipe or cement failures;
- casing collapses;
- compliance with, or changes in environmental, tax and other governmental requirements;
- environmental hazards, such as natural gas leaks, oil spills, pipeline ruptures and discharges of toxic gases;
- lost or damaged oilfield drilling and service tools;
- unusual or unexpected geological formations;
- loss of drilling fluid circulation;
- pressure or irregularities in formations;
- fires;
- natural disasters;
- surface craterings and explosions; and